UNDP

UNITED NATIONS DEVELOPMENT PROGRAMME

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APPROVAL OF UNDP ASSISTANCE TO AN INTERREGIONAL PROJECT

(INT/92//207) - Reconciliation of Environmental and Trade Policies

Date of approval by the AC:	3 June 1992
Expected duration:	18 months
Proposed executing agency:	UNCTAD
Government implementing agency:	Various agencies
Proposed UNDP contribution:	$400 000
Source of funds:	SPR, National IPF financing; and Third-party financing to UNCTAD

Project background

The current debate on environmental issues within the United Nations, particularly in the preparatory process for UNCED and in UNCTAD, pays special attention to the interactions between trade, environment and development. Agenda #21 is pointing to the necessity "to elaborate studies for the better understanding of the relationship between trade and environment for the promotion of sustainable development." The debate in the United Nations is as much on development oriented trade issues, such as commodities and market access, as on the more specific issue of trade and environment. Ultimately, there should be no conflict between trade and sustainable development as trade is an instrument of economic growth and development which, properly managed, widens the options for environmental protection. Because of the implications for development of both trade and environment policies, UNDP should assist developing countries in gaining a clear picture of the relationships involved in order to strengthen the position of the developing countries in international negotiations on both trade and environment, in development related discussions, and in determining appropriate national policies.

UNCTAD has developed a broad programme of action on the relationships between trade, environment and development, supported by UNCTAD's regular budget as well as by contributions to UNCTAD from the Government of the Netherlands and the International Institute for Sustainable Development in Canada. Within this broader programme, UNDP proposes, to undertake two main activities, a series of country-case studies and macro-theme studies, focusing on the economic, environmental and trade situations of specific countries supported by analyses of overall importance.

1/ This Fact Sheet reflects the status of the project/revision at the time it was approved by the Action Committee; modifications to the project/revision may have occurred subsequently.

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Description of project

The project will have a firm base on work already undertaken in the GATT, UNCTAD, the OECD as well as within various institutions. It will attempt to generate data and specific examples from a range of countries in order to shed light on particular trade and environment issues such as commodities and technology. But more importantly, it should allow for the formation of a composite picture of trade, development, environment issues as they affect the policies and prospects of developing countries in light of current trends of international trade and environmental regulations.

Work will focus on analysing the national experience of 14 or more developing countries, including examples of economies in transition. For each country the trade/environment link will be analysed from two perspectives: (a) an analysis will be made of the impact of environmental concerns and regulations in the major external markets on the exports of the particular country; and (b) a second study will focus on the impact of trade (principally exports) on the environment of the country. These studies will be undertaken separately but concurrently to allow coordination in the framing of policy responses required at the national level.

Inputs

UNDP will provide international experts in environmental and trade policies; a subcontract for consultants to handle project activities in 15 countries; thematic studies and country studies conducted at both the national and international levels involving four work-months of programme coordination and background research for centralized technical support and advice; and miscellaneous costs.

Financial data

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Personnel	24 000
Subcontract	300 000
Training	110 000
Miscellaneous	10 000
Total	444 000

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